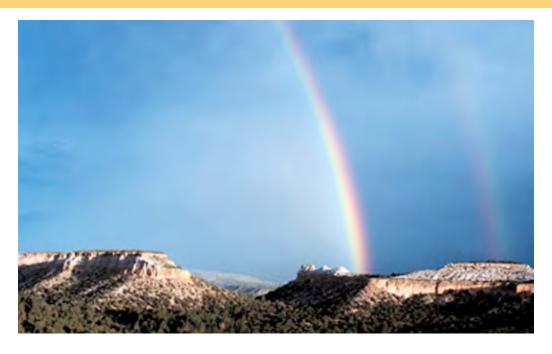
Los Alamos Venture Acceleration Initiative



John Mott Division Leader Technology Transfer Division



Why Take This Approach?

- Few venture firms invest in very early stage technologies.
- It provides the right mix of skills and external networks.
- It creates the outcomes achieved through the LANL Visiting Entrepreneur Program without the conflicts.







Los Alamos Venture Acceleration Initiative

Why do it?

 To create more NM companies from LANL intellectual property, technology, know-how and/or capability



How are we going to do it?

- Recruit an external firm to identify and package opportunities
- Provide LANS funds to defray overhead costs for partner

How is the external firm going to do it?

- By providing
 - external business guidance;
 - market validation;
 - business and technical maturation funding; and
 - assembling the external technical and management team
- The external firm will also be responsible for securing additional funding for subject ventures, as appropriate.





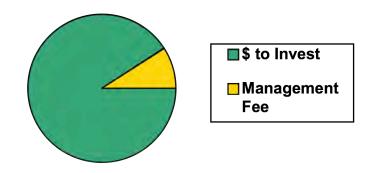
Potential Benefits

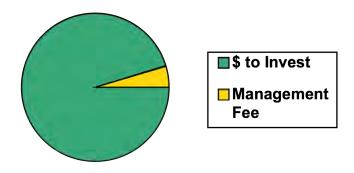
LANS

- Removes appearance of and actual Conflict of Interest
- Complements and expands current regional economic development programs (e.g., Visiting Entrepreneur; Venture Acceleration Fund; NNM Connect)
- Increases number of NM-based companies spunout of LANL

Partner

- RFP meets fairness up front
- Generates additional deal flow
- Creates more quality and "fundable" opportunities
- Defrays overhead costs to identify, package and "mature" opportunities
- Meets Fairness and secures IP with 180-day option







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The Process

Request for Proposals

- Broad release to regional and national venture community and others
- Proposals due June 30, 2008
- Review proposals, request additional information, if needed
- Finalists provide oral presentation
- Selection made by a panel of LANL and non-LANL business/venture subject matter experts

Inter-Institutional Agreement

- Negotiated with the winning applicant
- Establishes firm, period performance milestones developed with partner
- Allows termination upon failure to perform



Product or Service	Opportunity Identification	Technology Validation	Prototype	Production scale-up	Full production or distribution
Business	Business and Product Concept	Business Model Development	Business plan	Full production or distribution plan	
People	Technologist and/or Champion	Core Tech Team and Initial Business Leaders	Expand to f	to full management and production team covering all disciplines	
Stage	Concept Validation	Pre-Seed	Seed	Series A	
Funding	\$0 – \$100K	\$100K – \$1M		\$1M and Up	
Funding Source	LAVA	LAVA Gap Funds LANS VAF	Angels Seed Funds	Venture Capital	



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Requirements

- Business structure and dedicated personnel necessary to:
 - conduct technology assessments, evaluate market opportunities, formulate preliminary business cases, fund and guide technology maturation, recruit management teams, and establish start-up enterprises in preparation for Series A financing.
- Access to sufficient capital to launch a minimum of three companies in three years.
 - Access means having funds under direct management or commitments from entities that wish to invest in qualified opportunities.
- Proven track record of launching successful start-up businesses.
- Access to network of regional and national consultants, investors and advisors.
- All LANS funds used in support of LANL opportunities.
- Operations and full-time staff in Los Alamos, New Mexico.
- Fully owned and controlled by U.S. citizens.
- Staffed by U.S. citizens eligible for un-cleared badge access to LANL sites.





Preferences

- In addition, preference will be given to proposals that demonstrate:
- Previous experience in transitioning technologies out of LANL or another national laboratory or university.
- Knowledge of LANL capabilities, technology focus areas and programs.
- A plan for sustaining the program beyond the first three-year term.





How to Apply

To be eligible for consideration, a proposal must

- State how the proposer meets each of the specified requirements
- Address the extent to which the proposer meets the preferred characteristics
- Describe the proposer's business structure, processes for technology identification, opportunity assessment, and technology/business maturation methodologies
- Provide resumes of management team and other contract or consultant resources
- Provide evidence that the proposer has access to sufficient capital to support this effort
- Estimate the expected impact, including the number of spin-outs anticipated, over the three years of the effort
- Demonstrate how the proposer plans to maintain the effort beyond the initial three-year period
- Include at least three (3) letters of reference.



